Minneapolis Trends

A Quarterly Overview of Socioeconomic and Housing Trends in Minneapolis











Second Quarter 2003

Highlights for the second quarter of 2003

- More people were employed in the City but also more were unemployed than in the second quarter of last year. In the Metro Area unemployment was down from the same period in 2002. page 5
- Prices in the first half of the year in the Midwest urban areas increased in comparison with the second half of last year. Housing prices increased faster than prices for all consumer goods and services. page 6
- Interest rates continued to decrease. page 7
- Permitting activity for new residential construction in the City slowed down in comparison with the same period last year. At the same time construction costs increased page 5
- Average rent in the City rental market is increasing after remaining stable for two quarters. The vacancy rate continued to increase. page 16
- Sale values increased, but residential sales were weak in comparison with last year's second quarter page 17



Planning Department Vol.2, No. 2 2003



Project coordinator:

Cecilia Bolognesi, AICP Principal Planner

Minneapolis Planning Department 350 South 5th Street-Room 210 Minneapolis, NN 55415-1385

Phone: 612-673-2495

e-mail: cecilia.bolognesi@ci.minneapolis.mn.us

Design and Layout:

Marlena Bromschwig Graphic Designer

Minneapolis Communications Department

Minneapolis Trends

second quarter 2003



CONTENTS

- Economic Indicators 4
 - Population and income 5
 - **Employment** 5
 - Interest rates 7
- Residential Growth 8
- New residential construction 9
- Value of new residential construction 11
 - Construction cost 12
 - Residential remodels 13
 - Residential demolitions 13
 - The Housing Stock 14
- Single and multi-family housing stock 15
 - Vacancy rate 15
 - Average rents 15
 - Residential sales values 16
 - Affrodable Housing 17
 - CPED/MCDA Assisted Housing 18
 - Public Housing 18
 - **HUD Assisted Housing** 19

ECONOMIC INDICATORS

Population: Data are based on the 2000 Census of Population and Housing.

Figures shown are for the City of Minneapolis and the Metropolitan Area. Except when otherwise specified, the Metropolitan Area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties. This information will not be updated in future reports.

Income per capita: Income per capita is the cumulative income measured in dollars

produced during a period of time in a given geographical area divided by the total population of this area. The most current source of information is the 2000 Census of Population and Housing. Figures for 1989 were adjusted to 1999 dollars using the Consumer Price Index(CPI) of the Bureau of Labor Statistics (USBLS). Table two compares Minneapolis, the Metro Area and the US. This information

will not be updated in future reports.

Labor Force, Employment and Unemployment: Labor force, employment and unemployment information, developed

by the Minneapolis Planning Department, is based on monthly figures from the Minnesota Department of Economic Security. Labor Force is the average number of non-farm workers employed or looking for a job at a given time. Table three presents quarterly and year-to-date

information for the City and the Metropolitan Area.

Consumer Price Index: This index, developed by the USBLS, is based on consumer surveys of

all urban households for items such as food and beverages, housing, apparel, medical care, recreation, education and others. Bi-annual and annual information is available. Table four presents a comparison of urban consumers in the Midwest, the US and the Minneapolis-St.Paul Metropolitan Area as defined by the US Office of Management and Budget (OMB). This information will be updated every six months.

Interest Rates: LIBOR (London Inter-bank offered rate) and the 30-year required net

yield is tracked monthly by Fannie Mae. Information by quarter in Tables five and six show interest rates in the last month of the quarter.

POPULATION

In 2000 Minneapolis had about 14,000 or 3.8 percent more people than in 1990. In the seven-county Metropolitan Area population increased by more than 353,000, nearly the total population of the City of Minneapolis.

TABLE 1: POPULATION

AREA	2000	1990	GROWTH				
Minneapolis	382,452	368,383	3.8%				
7-county Metropolitan Area	2,642,056	2,288,721	15.4%				

Source: Census of Population and Housing 7-County Metro Area comprises Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties

INCOME PER CAPITA

Between 1989 and 1999 income per capita grew in real terms in Minneapolis and the Metropolitan Area. In 2000 growth was almost 3 percent points more in the City than the US, but 2.5 percent points lower in comparison to the Metro Area.

TABLE 2: INCOME PER CAPITA

AREA	1999	1989	GROWTH
Minneapolis	\$22,685	\$19,850	14.3%
7-county Metropolitan Area	\$26,776	\$22,919	16.8%
US	\$21,587	\$19,374	11.4%

Source: Census of Population and Housing. 1989 income adjusted to 1999 values

EMPLOYMENT

In the second quarter, Minneapolis' labor force was at the highest level since the beginning of last year. There were comparatively more people employed, but unemployment grew to 4.9 percent from 4.5 percent in the first quarter. Unemployment was also higher than the same period last year.

In the Metro Area the labor force increased, on average, by more than 18,000 people during the second quarter and more were employed. Unemployment remained at 4.1 percent and was lower than the same period last year.

TABLE 3: LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT

	CITY	METRO AREA	CITY	METRO AREA
Labor Force Employment Unemployment Rate	1Q-02 212,364 202,536 4.6%	1,623,973 1,554,528 4.3%	2002 YTD 212,364 202,536 4.6%	1,623,973 1,554,528 4.3%
Labor Force Employment Unemployment Rate	2Q-02 217,427 206,909 4.8%	1,651,208 1,581,262 4.2%	YTD 214,896 204,723 4.7%	1,637,590 1,567,895 4.3%
Labor Force Employment Unemployment Rate	3Q-02 219,468 208,309 5.1%	1,669,556 1,600,434 4.1%	YTD 216,420 205,918 4.9%	1,648,246 1,578,741 4.2%
Labor Force Employment Unemployment Rate	4Q-02 216,138 207,502 4.0%	1,648,854 1,588,105 3.7%	YTD 216,349 206,314 4.6%	1,648,398 1,581,082 4.1%
Labor Force Employment Unemployment Rate	1Q-03 216,490 206,666 4.5%	1,622,972 1,555,910 4.1%	2003 YTD 216,490 206,666 4.5%	1,622,972 1,555,910 4.1%
Labor Force Employment Unemployment Rate	2Q-03 220, 237 209,358 4.9%	1,643,732 1,576,175 4.1%	218,364 208,012 4.7%	1,633,352 1,566,042 4.1%

Source: Planning Department with data from Minnesota Department of Economic Security, Labor Market Information

PRICES

In the first half of 2003 prices for all consumer goods and services in US urban areas increased by 2.4 points in comparison with the second half of 2002. Housing increased by 2.6 points. In Midwest urban areas prices for all items increased by 1.9 in the second half of the year, while housing increased by 2.2 points.

TABLE 4: CONSUMER PRICE INDEX (CPI) 2002

For all consumers, not seasonally adjusted; base period: 1982-84=100

	AREA	MINNEAPOLIS	MID-WEST	US
2002				
First Half	All Items	179.3	173.8	178.9
	Housing	167.4	170.7	179.2
	ilousing	107.4	110.1	170.2
Second Half	All Items	180.0	175.9	180.9
	Housing	168.3	173.0	181.4
Annual	All Items	179.6	174.9	179.9
	Housing	167.8	171.8	180.3
2003	All Items	N/A	177.8	183.3
First Half	Housing	N/A	175.2	184.0

Source: Bureau of Labor Statistics

INTEREST RATES

Interest rates, which influence the demand for housing as well as other investments, continued to decrease during the second quarter of 2003.

The LIBOR Rate continued to decrease steadily. In July 2002 it was at 2.07, and in June, at the end of the second quarter, it was 1.201. LIBOR is used as a base index for setting rates of some adjustable rate financial instruments, including adjustable rate mortgages.

TABLE 5: LIBOR RATE 2002 & 2003 end of quarter

QUARTER	RATE
1Q-02	3.006
2Q-02	2.251
3Q-02	1.813
4Q-02	1.447
1Q-03	1.340
2Q-03	1.201

Fannie Mae publishes rates the last business day of each month. Quarterly rates are rates for the last month of the quarter.

The 30-year required net yield is frequently used as a basis for converting an adjustable rate mortgage to a fixed rate mortgage. During the second quarter of 2003 the 30-year required net yield rate decreased again in comparison with last quarter.

TABLE 6: 30-YEAR REQUIRED NET YIELD end of quarter

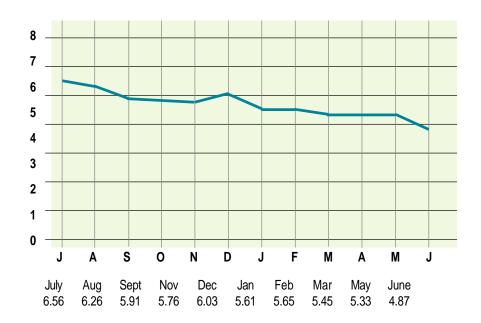
•		
	QUARTER	RATE
	1Q-02	6.68
	2Q-02	6.66
	3Q-02	5.91
	4Q-02	6.03
	1Q-03	5.45
	2Q-03	4.87

Source: Fannie Mae. Quarterly rates show monthly rates at the end of each quarter

LIBOR RATE, July 2002 to June 2003



INTEREST RATES, Historical 30 year required net yield July 2002 to June 2003



RESIDENTIAL GROWTH

Building permits for new residential construction: Permits represent projects for residential construction submitted for approval to the City. Typically there is a time lag between the proposed project and the actual construction.

> Tables seven and eight are based on monthly figures provided by the City of Minneapolis and Metropolitan Area counties to the Bureau of the Census. The map on new building construction is based on permit information by address provided by the City's Inspections Division. Numbers from the Census Bureau and City Inspections may differ slightly for the same period. Census Bureau numbers do not include additions, remodels or demolitions.

Single family buildings include only one unit in the structure.

Multi-Family buildings include two or more units in the structure.

Value of residential construction is based on the amount of dollars that developers report as cost of their projects.

Construction value per unit refers to the total construction value divided by the number of units permitted during the period considered.

Building permits for residential remodeling: Map two is based on data from the City of Minneapolis Inspections Division. Information includes all projects for residential remodeling submitted for approval to the City with a value of \$50,000 or more.

Building permits for demolitions or wrecking:

This information was obtained from the City of Minneapolis Inspections Division, and includes all residential buildings that were demolished either partially or totally. The categories within multi-family buildings and units include condominiums.

Inflation-Adjusted figures:

Values reported in tables in this report are expressed in current dollars (not adjusted for inflation). For analysis purposes, however, text is based on these table values converted to constant (inflationadjusted) dollars based on the U.S. of Labor Statistics Consumer Price Index (CPI) for all urban consumers, all goods, Minneapolis-St. Paul-WI Metropolitan Are, as defined by OMB.

NEW RESIDENTIAL CONSTRUCTION

In the second quarter of 2003 a slowdown in multi-family construction in Minneapolis, resulted in a decrease of 63 units in comparison with the first quarter. The City permitted a total of 218 housing units, decreasing its share of permits in the Metropolitan Area from 7.6 percent in the first quarter to 4.1 percent in the second. Construction activity in the City also showed a decrease in comparison with the second quarter of 2002.

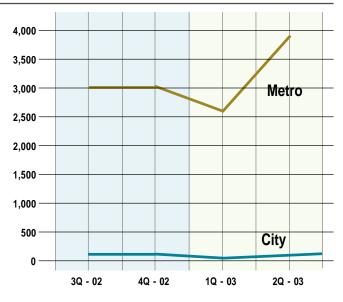
More than 5,300 permits were issued in the Metro Area, a 45 percent increase from the first quarter. Both single-family and multi-family unit construction increased. Activity in the second quarter was higher than in the same period last year.

TABLE 7: NEW RESIDENTIAL CONSTRUCTION

	SF UNITS	MF UNITS	TOTAL	SF UNITS	MF UNITS	TOTAL
City Metro Area City Share	1 Q-02 40 2,414 1.6%	616 1,725 26.3%	656 3,483 18.8%	2002 YTD 40 2,414 1.6%	616 1,725 26.3%	656 3,483 18.8%
City Metro Area City Share	2 Q-02 65 3,311 1.9%	232 1,433 13.9%	297 4,447 6.7%	YTD 105 5,725 1.8%	848 3,158 21.2%	953 8,883 10.7%
City Metro Area City Share	3Q-02 68 3,034 2.2%	242 1,780 12.0%	310 4,814 6.4%	YTD 173 8,759 1.9%	1,090 4,938 18.1%	1,263 13,697 9.2%
City Metro Area City Share	4Q-02 74 3,049 2.4%	277 2,618 9.6%	351 5,667 6.2%	YTD 247 11,808 2.0%	1,367 7,556 15.3%	1,614 19,364 8.3%
City Metro Area City Share	1 Q-03 33 2,621 1.3%	248 1,073 23.1%	281 3,694 7.6%	2003 YTD 33 2,621 1.3%	248 1,073 23.1%	281 3,694 7.6%
City Metro Area City Share	2Q-03 112 3,937 2.8%	106 1,428 7.4%	218 5,365 4.1%	YTD 145 6,558 2.2%	354 2,501 14.2%	499 9,059 5.5%

Source: US Bureau of the Census

PERMITS FOR NEW CONSTRUCTION: SINGLE FAMILY UNITS



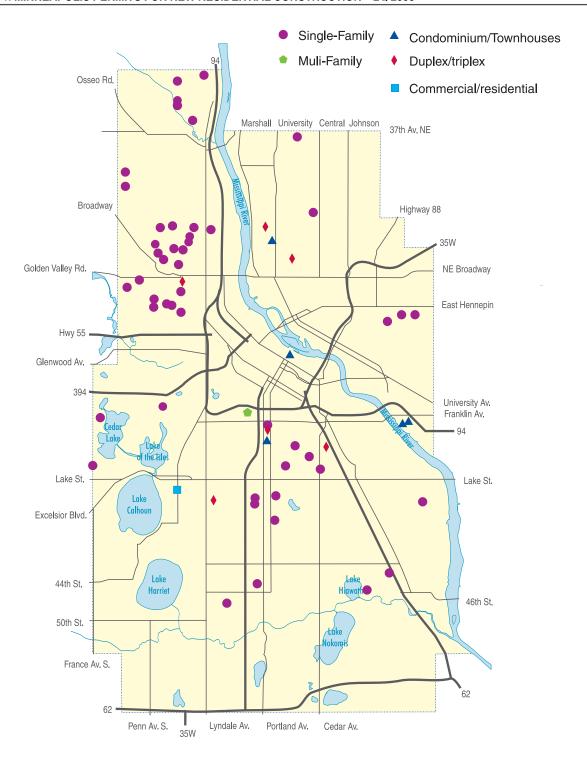
PERMITS FOR NEW CONSTRUCTION: MULTI-FAMILY



NEW RESIDENTIAL CONSTRUCTION

Permits issued during the second quarter in the City of Minneapolis show that construction of new single-family units occurs primarily in the Near North and Phillips communities. A new 36-unit apartment building was permitted on Third Avenue south of Highway 94 in Loring Park.

MAP 1: MINNEAPOLIS PERMITS FOR NEW RESIDENTIAL CONSTRUCTION - 2Q 2003



VALUE OF RESIDENTIAL CONSTRUCTION

In the second quarter, new residential construction cost in the City was about 19 percent higher than in the second quarter of 2002 (adjusted for inflation). In the seven-county Metropolitan Area it was 16 percent higher than in the same period of the previous year (adjusted for inflation). The City's share in the second quarter of 2003, was 3.9 percent, about 34 million.

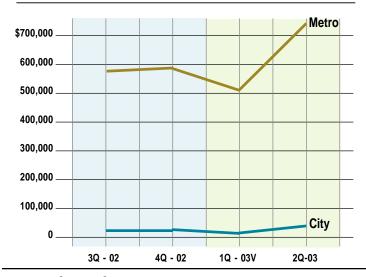
In the second quarter single-family construction cost in the City rose more than 100 percent in comparison with the same period last year. Multi-family construction cost declined by 17 percent. In the Metro Area both single-family and multi-family construction cost increased by 16.6 and 12 percent respectively.

TABLE 8: VALUE OF NEW RESIDENTIAL CONSTRUCTION in dollars.

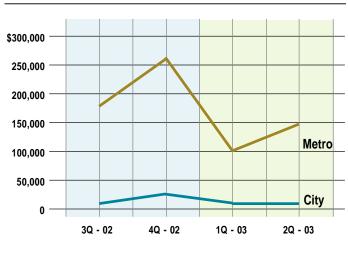
TABLE 8: VALUE OF NEW RESIDENTIAL CONSTRUCTION in dollars							
	SF Units	MF Units	SF UNITS	MF Units			
City Metro Area City Share	1Q-02 \$ 4,257,752 439,888,271 1.0%	\$76,142,572 189,097,311 40.3%	2002YTD \$ 4,257,752 439,888,271 40.3%	\$76,142,572 189,097,311 12.8%			
City Metro Area City Share	2Q-02 8,742,881 623,665,320 1.4%	19,883,736 126,052,628 15.8%	YTD 13,000,633 1,063,553,591 1.2%	96,026,308 315,149,939 30.5%			
City Metro Area City Share	3Q-02 10,469,155 559,013,612 1.9%	21,839,227 174,839,323 12.5%	YTD 23,469,788 1,622,567,203 1.4%	117,865,535 489,989,262 24.1%			
City Metro Area City Share	4Q-02 9,880,681 571,778,530 1.7%	33,253,274 251,624,209 13.2%	YTD 33,350,469 2,194,345,733 1.5%	151,118,809 741,613,471 20.4%			
City Metro Area City Share	1Q-03 5,178,427 518,254,676 1.0%	16,222,344 101,240,227 16.0%	2003 YTD 5,178,427 518,254,676 1.0%	16,222,344 101,240,227 16.0%			
City Metro Area City Share	2Q-03 17,741,135 731,326,660 2.4%	16,563,178 142,990,747 11.6%	YTD 22,919,562 1,249,581,336 1.8%	32,785,522 244,230,974 13.4%			

Source: US Bureau of the Census

SINGLE FAMILY CONSTRUCTION VALUES in millions of dollars



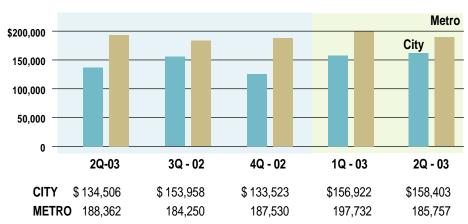
MULTI- FAMILY CONSTRUCTION VALUES in millions of dollars



RESIDENTIAL CONSTRUCTION COST

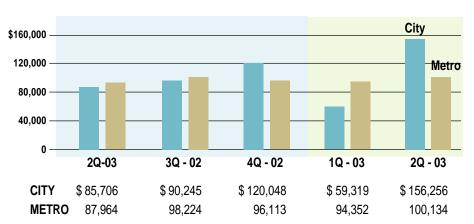
In the second quarter, construction cost per single-family unit in the City increased by 17 percent in comparison with the second quarter last year when adjusted for inflation. Construction cost in the Metro area was 1.9 percent lower than the same period last year. Multifamily cost per unit rose by 81 percent in the City and 13 percent in the Metro Area.

SINGLE FAMILY CONSTRUCTION COST per unit



Source: Planning Department with data from the Bureau of the Census

MULTI-FAMILY CONSTRUCTION COST per unit

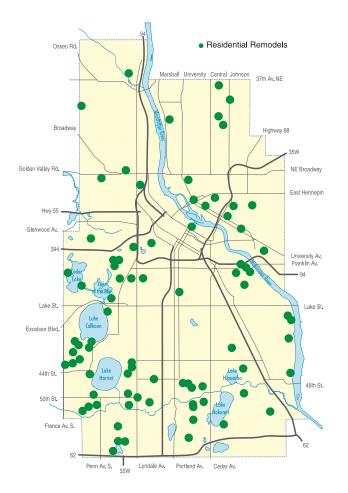


Source: Planning Department with data from the Bureau of the Census

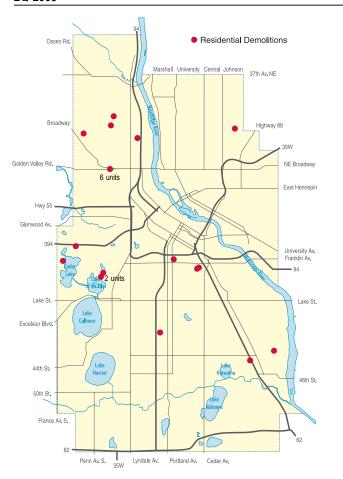
RESIDENTIAL REMODELS

Eighty-nine permits were issued for remodels with a value of \$50,000 and over. The majority of the projects were in the western side of the City, around the lake area. The largest project, of more than a million dollars, is the construction of a two-story addition to an apartment building located on Franklin Ave E, in the Longfellow Community.

MAP 2: MINNEAPOLIS RESIDENTIAL REMODEL PROJECTS 2Q 2003



MAP 3: MINNEAPOLIS PERMITS FOR RESIDENTIAL DEMOLITIONS 2Q 2003



REDSIDENTIAL DEMOLITIONS

In the second quarter of 2003 there were 23 residential demolitions, 9 more than in the first quarter but 14 less than in the second quarter of last year. Most demolitions were single-family units.

TABLE 9: MINNEAPOLIS BUILDING PERMITS FOR RESIDENTIAL DEMOLITION

NUMBER OF UNITS	2002 2Q-02	3Q-02	4Q-02	1Q-03	2003 2Q-03	YTD 2Q-02	2002 3Q-02	4Q-02	YTD 1Q-03	2003 2Q-03
Single Family	19	22	17	12	15	32	54	71	12	27
Condo/Townhouse	0	0	0	0	0	0	0	0	0	0
Multi-Familly	9	14	5	2	2	19	33	38	2	4
Duplex/Triplex	9	16	0	0	6	12	28	28	0	6
TOTAL	37	52	22	14	23	63	115	137	14	37

Source: Minneapolis Inspections Department

THE HOUSING STOCK

Single and multi-family: Table ten was derived from the Minneapolis Assessor's Office based on property tax records from the Hennepin County Property Tax Department. The City Assessor's Office certifies the records for the City every year. As a result, table ten will be updated yearly because accurate data is not available quarterly.

> Structure refers to a building that may have one or more units. The number of units and structures for single-family is the same.

Condominium refers to a legal category of property ownership and usually designates units in high-rise buildings or other multi-family structures that have common areas and individual properties.

Townhouses are attached single-family units that usually adopt a condominium type of home ownership.

Vacancy Rate: Vacancy rate is the percent of unoccupied housing units in the total. Overall vacancy rates for the City and Metro Area are available in the 2000 and 1990 Census of Population and Housing. This information will not be updated in future reports. The Bureau of the Census Housing Vacancy Survey presents annual rental and homeowner vacancy rates for the Twin Cities Metropolitan Area. This Metro Area according to OMB definition, includes Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright counties in Minnesota and Pierce and St Croix counties in Wisconsin. This information will be updated yearly.

> Vacancy rates for the multi-family rental market are calculated quarterly by GVA Marquette Advisors based on a survey of 1,269 properties with 124,086 units in the Twin Cities Metropolitan Area; 17,831 units are in the City of Minneapolis. The survey also tracks the average rent paid for these units.

Average sale values: These values are based on reported home prices to the Hennepin County Property Tax Department. The figures are unverified and may not reflect the actual sale value.

Inflation-Adjusted figures: See page 8.

HOUSING STOCK

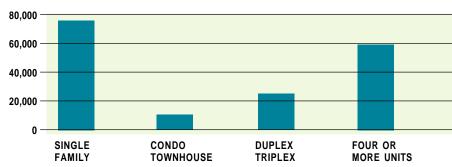
In 2002 Minneapolis had 169,117 housing units. Of these almost 45 percent were single-family and nearly 35 percent were multi-family with four or more units in the structure.

TABLE 10: HOUSING STOCK - MINNEAPOLIS 2002

	SINGLE-	CONDOMINIUM	DUPLEX/	FOUR UNITS	
HOUSING TYPE	FAMILY	TOWNHOUSE	TRIPLEX	OR MORE	TOTAL
Structures	75,402	10,145	12,119	3,449	101,115
Units	75,402	10,145	25,198	58,372	169,117
% of all Structures	74.6%	10.0%	12.0%	3.3%	99.9%
% of all Units	44.6%	6.0%	14.9%	25.7%	91.1%

Source: Minneapolis Assessor's Office

NUMBER OF HOUSING UNITS BY TYPE - MINNEAPOLIS 2002



Source: Minneapolis Assessor's Office

VACANCY RATE

Between 1990 and 2000 the overall vacancy rate, including all types of housing units, dropped from 6.9 percent in 1990 to 3.7 percent in 2000 in Minneapolis. It also decreased in the Metro Area from 5.1 percent to 2.5 percent.

In the Twin Cities Metropolitan Area annual vacancy rates in the rental market reached the highest point in 1991. Vacancy rates in the homeowner market were highest in 1996. In 2000 vacancy rates were at their lowest level, but began climbing in the following years. By 2002, the rental market vacancy rate reached 6.2 percent, a reflection of vacancy rates at the end of the eighties.

TABLE 11: OVERALL VACANCY RATE

	2000	1990
Minneapolis	3.7%	6.9%
Metro Area	2.5%	5.1%

Source: Census of Population and Housing

ANNUAL VACANCY RATES Minneapolis-St. Paul Metro Area



In the second quarter the average vacancy rate in the multi-family rental market in Minneapolis was 6.5 percent and the average rent was \$816. The average vacancy rate was 4.8 percent in the second quarter of last year and 6.3 percent in the first quarter of 2003. The average rent climbed from \$799 in the first quarter of the year.

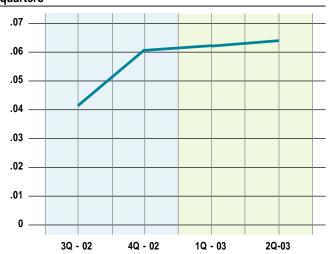
TABLE 12: MINNEAPOLIS MULTI-FAMILY VACANCY RATE & AVERAGE RENT by quarters and Year-to-Date

	2002			2003		YTD	
QUARTER	2Q-02	3Q-02	4Q-02	1Q-03	2Q-03	1Q-03	2Q-03
Units surveyed	17,605	18,017	18,051	17,831	17,285	17,831	17,558
Vacant Units	849	762	1098	1,124	1,126	1,124	1,126
Average rent	\$ 790	\$ 789	\$ 799	\$ 799	\$816	\$ 799	\$ 808
Vacancy Rate	4.8%	4.2%	6.1%	6.3%	6.5%	6.3%	6.4%

Source: Marquette report for 2002 based on property survey

MINNEAPOLIS VACANCY RATE 2002

by quarters



MINNEAPOLIS APARTMENT AVERAGE RENT by quarters

\$ 820 815 810 805 800 795 790 785 780 775 3Q - 02 4Q - 02 1Q - 03 2Q-03

RESIDENTIAL SALES

The average sale value for a single-family house in Minneapolis in the second quarter was about \$221,400, a hike of 10 percent in comparison to second quarter 2002 values of \$201,300 after adjusting for inflation. While housing units in general gained in value, tri-

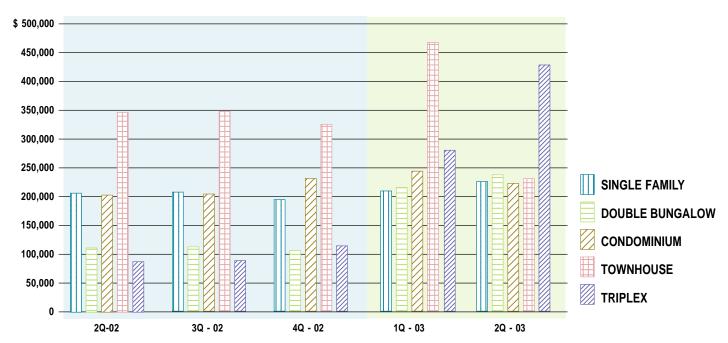
plex appreciated faster than any other category. However, total sales decreased by more than 35 percent in the second quarter in comparison with the same period of 2002.

TABLE 13: MINNEAPOLIS RESIDENTIAL UNITS SOLD & AVERAGE SALE VALUES

	# UNITS	2Q-2002 AVG. SALE	# UNITS	3Q-2002 AVG. SALE	# UNITS	4Q-2002 AVG. SALE	# UNITS	1 Q-2003 AVG. SALE	# UNITS	2Q-2003 AVG. SALE
Single-Family	1,420	\$ 200,187	1,471	\$ 207,848	1,139	\$ 196,373	967	\$ 207,195	1,052	\$ 221,371
Double Bungalow	442	102,701	416	114,262	328	102,063	163	219,636	113	243,638
Condominium	184	194,804	197	203,020	129	233,895	168	245,320	175	220,856
Townhouse	14	370,724	25	323,135	21	323,135	14	469,099	12	223,404
Triplex	54	79,966	48	80,175	33	116,176	10	269,710	5	434,900
	YTD									
Single-Family	2,420	\$ 189,011	3,891	\$ 196,132	5,030	\$ 196,187	967	207,195	2,019	\$ 214,581
Double Bungalow	776	100,799	1,192	105,498	1,520	104,756	163	219,636	276	299,463
Condominium	302	324,735	499	196,871	628	204,477	168	245,320	343	232,839
Townhouse	32	324,735	57	334,787	78	331,650	14	469,099	26	355,701
Triplex	102	78,860	150	79,281	183	85,934	10	269,710	15	324,773

Source: City of Minneapolis Assessor's Office

MINNEAPOLIS HOUSING AVERAGE SALE VALUE 3Q-2002 to 2Q-2003



Source: City of Minneapolis Assessor's Office

AFFORDABLE HOUSING

CPED Funding: The City of Minneapolis assists housing mainly through the Minneapolis Community Planning and Economic Development Department (CPED), former MCDA, which in turn uses a large portion of federal funding to subsidize production. CPED contracts and partners with private developers and non-for profit organizations to increase production of affordable housing.

> Tables 14 and 15 show the number of units to be built in closed projects. "Closed projects" are those in which the project funding and conveyance has occurred and is finalized. There is usually only two days between the project closing and the construction start. The numbers include new construction and rehabilitation.

> An Affordable unit is a housing unit affordable to households at or less than 50 percent of area median income as adjusted for family size. A unit at above 50 to 150 percent of area median income is called here "moderate to market" unit. This could be slightly below market level prices.

HUD Funding: The US Department of Housing and Urban Development provides funding for housing intended to help low income families, elderly, disabled or handicapped individuals whose annual gross income does not exceed 50 percent of HUD's median income guidelines. Lowincome families may also receive direct rental assistance through section 8 vouchers.

> Table 17 does not include homes receiving vouchers. The table includes a few properties receiving financial aid under Section 236 of the 1994 Housing Act.

Publicly Owned Housing: These are units owned by the Minneapolis Housing Authority. The Authority manages properties, provides rental assistance and services to residents, builds new units and preserves the existing stock.

CPED/MCDA ASSISTED HOUSING

Five multi-family housing projects financed by CPED closed in the second quarter, the same number that closed during the second quarter of 2002. CPED financed 808 units, a sharp increase in comparison with the second quarter of 2002. In the second quarter of 2003 about 94 percent of the units financed by CPED were affordable.

TABLE 14: MULTI-FAMILY HOUSING UNITS IN PROJECTS FINANCED BY CPED new construction and rehabilitation

	2002			2003		YTD
QUARTER	2Q-02	3Q-02	4Q-02	1Q-03	2Q-03	2003
Number of projects	5	6	10	6	5	11
Affordable Units*	45	116	249	125	762	887
Moderate to market**	3	47	176	0	11	11
Market Units	72	526	163	91	35	126
TOTAL	120	689	588	216	216	746

^{*} at 50% of income level or below

Source: Minneapolis Community Planning and Economic Development Department (CPED)

In the second quarter of 2003 CPED financed almost 19 percent of affordable single-housing units in 32 projects. This proportion was higher than a 17 percent of dwellings financed during the first quarter in 12 projects. At the end of the second quarter the agency had financed half of the affordable units of last year's total.

TABLE 15: SINGLE-FAMILY HOUSING UNITS IN PROJECTS FINANCED BY CPED

new construction and rehabilitation

Year	2002	1Q-03	2Q-03	YTD 2003
Affordable Units*	16	2	6	8
Moderate to market	60	0	9	9
Other**	4	10	17	27
TOTAL	80	12	32	44

^{*} at 50% of income level or below

PUBLIC HOUSING

More of 80 percent of public housing units in Minneapolis are in high rise buildings. In 2002 MPH replaced 11 units. The total number of units did not change between 2001 and 2002.

TABLE 16: HOUSING UNITS & PERCENT SHARE OF TYPES OF HOUSING OWNED BY THE MINNEAPOLIS HOUSING AUTHORITY year 2002

, ou		
TYPE OF HOUSING	NUMBER	PERCENT
Multi-Family	4,856	84.1%
Single-Family	731	12.7%
Row Houses	184	3.2%
Total	5,771	

Source: Minneapolis Public Housing (MPH)

HUD ASSISTED HOUSING

In addition to CPED and MPH, the US Department of Housing and Urban Development subsidizes housing in the City through Section 8 of the Housing Assistance Payment Program and Section 236 of the 1964 Housing Act. In the second quarter the number of assisted units in these programs increased by 0.6 percent to 4,638.

TABLE 18: SECTION 8 & SECTION 236 HOUSING

			YTD 2003 (avg)		
	1Q-03	2Q-03	1Q-03	2Q-03	
Number of Units	4,610	4,638	4,610	4,624	
Possible Market Units	1,490	1,559	1,490	1,525	
Total	6,100	6,197	6,100	6,149	

^{*} Total stock at the end of quarter

Source: HUD

^{**} at more than 50% of income level

^{**} at more than 50% of income level